



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: January 11, 2002 REPORT NO. 02-012

ATTENTION: Land Use and Housing Committee
Agenda of January 16, 2002

SUBJECT: Establishment of a Historic Preservation Fund Program

SUMMARY

Issue - Should the Land Use and Housing Committee recommend that the City Council establish a Historic Preservation Fund Program?

Staff Recommendation - Recommend to the City Council that a Historic Preservation Fund Program be established including both a Special Fund and an Endowment Fund per Council Policy 100-02.

Historical Resources Board Recommendation - The Historical Resources Board, on December 20, 2001, recommended approving the creation of a Historic Preservation Fund Program.

Other Recommendations - None.

Fiscal Impact - Approval of this program would allow the City to fund historic preservation projects not possible at this time.

BACKGROUND

Since the City Council adopted the Land Development Code, the Historical Resources Board (HRB) has established four standing subcommittees to advise staff, review, research and provide ideas for programs that the Board may pursue. The subcommittees are: the HRB Policy Subcommittee which reviews policy matters prior to full Board action; the HRB Design Assistance Subcommittee which reviews design and U.S. Secretary of the Interior's Standards consistency issues; the HRB Archaeology Subcommittee which reviews all issues related to archaeology; and, the HRB Incentives Subcommittee which develops incentives and programs designed to enhance and expand historic preservation activities. The HRB Incentives Subcommittee started meeting regularly in 2001. An important program identified by the

Subcommittee for implementation is the development of a Historic Preservation Fund Program. A Historic Preservation Endowment Fund was originally established by the City of San Diego Historical Site Board in 1991 in conjunction with the development of the Comprehensive Historic Preservation Plan. The Historical Site Board became the Historical Resources Board upon implementation of the City's Land Development Code. The 1991 Preservation Fund was established at the San Diego Foundation and, as such, was not under the control of the HRB. The 1991 Comprehensive Historic Preservation Plan for the City of San Diego identified the fund to be used for any endangered historic site or resource, and it was available for use by nonprofit groups, community groups, or local governmental agencies (see Attachment 1). Upon its establishment, funds were granted for various projects through the San Diego Foundation Board with an oversight committee made up of some past members of the Historical Site Board. Today, the oversight committee no longer exists and the funds have been spent. The necessity of a historic preservation fund has not diminished and, in fact, has increased due to the City's expanded historic preservation program.

The level of effort in historic preservation has been substantial. In the first 30 years of this program (from 1970 to 1991) there were 312 individual historic sites designated. Since that time, in the last 10 years, an additional 200 sites have been designated, for a total of 500 individual sites and several districts containing even more contributing sites. A major historical survey program has been initiated, and 11 historical districts are in process. The Greater Mid-City Historic Preservation Strategy, completed in 1996, identified many potential historic sites. With the City Council's adoption of the Mills Act in 1995 (Council Policy 700-46), the Board's activities have increased substantially. This economic incentive has encouraged many owners to have their homes designated. Additionally, within the past two years, the HRB has been developing additional voluntary preservation programs such as the Emerging Historical District Program (already in place), and the Voluntary/Traditional Historical District (presently in process of development).

Staff often receives calls for financial assistance in the preservation of important historic sites. The HRB Incentives Subcommittee felt that the establishment of a Historic Preservation Fund Program within the City's authority would be responsive to today's expanding need. Additionally, in late 2001, two specific donation offers were received from the private sector. The establishment of a Fund program would allow the City to accept these offers and oversee the disbursement of funds.

ANALYSIS

The creation of a new City-managed Historic Preservation Fund Program is recommended to better integrate the Historical Resources Board's present and future activities. This Program will be managed as enabled by City Council Policy 100-02 and would collect funds donated by the private sector for the financial aid to projects that meet the established criteria supportive of preserving and enhancing preservation of historic resources, as a public benefit.

It is envisioned that the Historic Preservation Fund Program will include two types of fund, a Special Fund and an Endowment Fund as follows:

Historic Preservation Special Fund. This Fund will collect small donations and allocate both capital and interest to assist projects that meet the criteria to be established by the Board. It is suggested that financial contributions of less than \$50,000 go into this Special Fund.

Historic Preservation Endowment Fund. This Fund will collect donations of \$50,000 and higher. The Fund would accrue interest. The capital will remain in the Endowment Fund in perpetuity, or for a specified time, per Trust Agreements, if applicable. The interest would be allocated to assist projects which meet the criteria.

The above-outlined Fund Program complies with the procedures outlined in Council Policy 100-02 (see Attachment 2). It is a requirement of this Council Policy that the Historic Preservation Fund Program be approved by the City Council. The Historical Resources Board endorsed this program on December 20, 2001. The proposal is now being submitted to the Land Use and Housing Committee for its review and recommendation to the full City Council. Upon approval of the Fund Program, the HRB Incentives Subcommittee and City Planning Department staff will complete the development of the grants criteria and disbursement process. The program would require that the Planning Director manage the funds and disburse awards from these Funds, pursuant to the recommendation of the HRB. Staff believes that this approach will maintain HRB/City long-term continuity, which has not been the case with prior efforts.

Criteria for Applications for Funding. The following criteria are taken from the 1991 Comprehensive Historic Preservation Plan developed by the predecessor to HRB and approved by the City Council at that time. It is proposed that these criteria constitute the basis for the proposed program's initiation. As the program develops further, additional criteria will be developed by HRB and staff.

- Applicants for project funding may be nonprofit groups, community groups, local governmental agencies, or private individuals. With the highest priority going for nonprofit, community, or local government-sponsored projects.
- All project recipients awarded monies must provide a "public benefit" of historic preservation for the community at large (City), and projects must benefit a designated historic site, or a property must be on a community resource inventory listing of historic/cultural resources contained in a Community Plan.
- Projects eligible for funding are those properties and buildings endangered from neglect, resale and imminent site development, threatened demolition, or hazardous conditions with not enough funding available to repair. Other candidate projects could include City-approved moving of a historic site, or restoration due to partial destruction occurring as a result of natural causes, such as storm, flood, fire, earthquake, or land movement.
- Projects will be awarded funds on the basis of greatest need or endangerment, and the importance of the historic resource. Both privately and publicly owned historic sites are eligible for funding, providing the required finding of "public benefit," as it relates to effective historic preservation, can be made.

CONCLUSION

Staff recommends that the Land Use and Housing Committee recommend approval of the Historic Preservation Fund Program as identified by Council Policy 100-02. Approval of this Fund Program would allow the City to begin accepting gifts and funding for inclusion in the Program. Upon adoption, additional specific criteria will be developed, as needed, by staff and the HRB Incentives Subcommittee for later approval by the full HRB. Criteria for future development may include such items as identification of an annual grant cycle, funding match requirements.

S. Gail Goldberg, A.I.C.P.
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/AL

Note: Attachment Nos. 1 and 3 are not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachments: 1. Comprehensive Historic Preservation Plan Endowment Fund Criteria
 2. [Council Policy 100-02](#)
 3. HRB Report P-01-242